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INFO RUEHAC/AMEMBASSY ASUNCION 6127
RUEHBO/AMEMBASSY BOGOTA 3444
RUEHBR/AMEMBASSY BRASILIA 7302
RUEHBU/AMEMBASSY BUENOS AIRES 4564
RUEHCV/AMEMBASSY CARACAS 1821
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RUEHMD/AMEMBASSY MADRID 3136
RUEHME/AMEMBASSY MEXICO 1790
RUEHMN/AMEMBASSY MONTEVIDEO 4036
RUEHQT/AMEMBASSY QUITO 4457
RUEHSG/AMEMBASSY SANTIAGO 9030
RHMFISS/HQ USSOUTHCOM MIAMI FL
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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 002603

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TAGS: [ECON](#) [PGOV](#) [PREL](#) [BL](#)

SUBJECT: SANTA CRUZ: FRUSTRATED AND ANNOYED WITH MORALES

REF: LA PAZ 2557

Classified By: Charge Kris R. Urs for reasons 1.4 (b) and (d).

11. (C) Summary: Charge visited Santa Cruz September 23-24 and met with politicians and the business community, as well as participated in the opening of Bolivia's largest trade fair, Expocruz. Virtually all interlocutors expressed frustration, annoyance, and great uncertainty when it comes to dealing with the Morales government. End summary.

SANTA CRUZ PREFECT

12. (C) Santa Cruz interlocutors report frustration, annoyance, and great uncertainty in their dealings with the Morales administration. Santa Cruz Prefect Ruben Costas told Charge that he and the other prefects are frustrated and annoyed that the president and vice president tell them one thing in closed door meetings and then turn around and say and do exactly the opposite in public. In that respect, Costas was not surprised by GarciaLinera's recent call to arms (reftel). The prefect professed that that Santa Cruz does not want to split the country, arguing that the Santa Cruz government "respects liberty and democracy." Costas voiced deep concern that the situation will heat up after September and fear that Santa Cruz could be the flash point. He vowed that Santa Cruz will not start any violence, but "if attacked, we will defend." Costas made a point to thank Charge for USAID support in the region and to express his solidarity with the United States' vision of democracy and capitalism.

PRO SANTA CRUZ COMMITTEE, HEALTH CLINIC, AND PARADE

13. (C) Pro Santa Cruz Committee President German Antelo visibly seethed as he told Charge that people in Santa Cruz are fed up with "being insulted" by their national government and that the youth groups especially are reaching the boiling point. Antelo claims the Committee is trying to keep a calm environment. He complained about the climate of uncertainty the Morales government has created and that "there are no clear rules as they are always changing the rules of the game." During a site visit to a USAID partially funded community health clinic in the poor outskirts of Santa Cruz,

many in the largely indigenous audience criticized the Morales government and had harsh words about Cubans sent to the area. The September 24 Santa Cruz day parade was filled with banners repudiating the federal government.

BUSINESS CHAMBERS

14. (C) Meetings with the Eastern Agriculture Chamber (CAO), Chamber of Industry, Commerce, Services, and Tourism (CAINCO), Santa Cruz Chamber of Exporters (CADEX), Hydrocarbons Chamber, and the Bolivian Institute for International Trade (IBCE) all revolved around the uncertain business environment and political instability which has left the business community paralyzed. From the cake shop owner to the transnational petroleum company executive, the complaints were the same: no new investment, difficulty obtaining credit, problems in securing raw materials and shipping products, an exodus of skilled workers, and a federal government which seems intent on neutralizing the business class. Most businesses appear to have gone into survival mode and are taking steps to minimize their risks, hoping that the future will bring stability and clear rules of engagement.

EXPOCRUZ

15. (C) Bolivia's largest trade fair, Expocruz, took on a political nature when the organizing committee decided not to invite the president, as has been customary in past fairs. While President Morales was attending the Santa Cruz Department Council meeting (where he was booed), Expocruz officials hurriedly proceeded with the inauguration ceremony so as to not allow any chance for Morales to participate. Attendees dutifully sang the Bolivian national anthem and

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then belted out the Santa Cruz anthem followed by shouts of "long live Santa Cruz" and "yes to autonomy".

16. (C) Comment: Many segments of Santa Cruz society appear to be fed up with the Morales government. All whom Charge met with were very careful to say that they do not want separation or violence, but are tired of being verbally attacked. Politicians are frustrated with a lack of clear rules and government double talk. The business community clamors for support and stability. It remains to be seen if Morales and his government have strained relations with Santa Cruz beyond the point of repair. End Comment.

URS